STAND. COM. REP. NO.

Honolulu, Hawaii March 4, 2016 RE: H.B. No. 375 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 375, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to amend state law that permits a creditor to collect on a monetary judgment through attachment or execution of real and personal property by:

- (1) Changing the exemption from attachment or execution for:
 - (A) Real property from \$30,000 to an unspecified amount; and
 - (B) Personal property, including vehicles, to the adjusted fair market value; and
- (2) Exempting child support, tax refunds that result from a federal earned income tax credit, and tax refunds that result from federal or state child tax credits from attachment or execution.

The LGBT Caucus of the Democratic Party of Hawaii; Abelmann Peterson Rollins LLLC; Barbara L. Franklin, Esq.; Law Office of Stuart T. Ing; and several individuals testified in support of this measure. The Department of the Attorney General; the Department of Taxation; Chamber of Commerce Hawaii; Hawaii Bankers

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Association; Hawaii Credit Union League; Hawaii Financial Services Association; Mortgage Bankers Association of Hawaii; and the Hawaii State Bar Association Collection Law Section testified in opposition to this measure.

Your Committee has amended this measure by:

- Specifying an amount of \$275,000 for the exemption from attachment or execution for real property owned by an individual;
- (2) Specifying an amount of \$15,000 for the exemption from attachment or execution for an individual's motor vehicle;
- (3) Specifying an amount equal to one month of child support plus one month of spousal support, in the debtor's possession, that is exempt from attachment or execution;
- (4) Removing exemptions from attachment or execution for the debtor's tax refunds from federal earned income tax credits and federal or state child tax credits;
- (5) Inserting an effective date of February 12, 2809 to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 375, H.D. 2.

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Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

State of Hawaii

House of Representatives The Twenty-eighth Legislature HSCR 994-16

Record of Votes of the Committee on Judiciary

	tee Referral: PC, JUD Date: 01/21/16			
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	×			
2. SAN BUENAVENTURA, Joy A. (VC)	×			
3. BELATTI, Della Au	r			×
4. BROWER, Tom	~			,
5. CREAGAN, Richard P.	\mathcal{P}			
6. HASHEM, Mark J.	\nearrow			
7. KAWAKAMI, Derek S.K.		>		
8. LEE, Chris	X			ļ
9. MORIKAWA, Dee				×
10. NAKASHIMA, Mark M.	<u>P</u>			
11. TAKAYAMA, Gregg	×			
12. WOODSON, Justin H.	\nearrow			
13. McDERMOTT, Bob				
14. THIELEN, Cynthia	×			
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TOTAL (14)	10	1.	8	3
The recommendation is: Adopted It joint referral, If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee Duplicate (Vellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				